formulary but with restrictions on quantity and number of refills.

Many States urged or required the dispensing of low-cost chemical equivalent products where available. Under such conditions, no significant instances of lack of clinical equivalency were reported.

We find, therefore, that in Medicaid and other State public assistance programs, no single method will by itself guarantee program efficiency, but without at least two features--reasonable formulary restrictions and effective data processing procedures--program controls will be ineffective. Although a co-payment requirement may not be widely acceptable in public assistance drug programs, its value in controlling costs in other programs seems evident.

Private Programs

Several nongovernmental programs to provide prescription drugs to members of unions and other groups have been in operation in this country for many decades, and others have been developed in more recent years.

For special examination, the Task Force selected six of these--Prepaid Prescription Plans, Inc.; Paid Prescriptions, Inc.; United Mine Workers; the Kaiser